

Highlights

Internal Audit Report to the
Board of Supervisors

Why We Did This Review

Maricopa County spends millions of dollars each year on contracts. We performed these audits due to the high risk of improper disbursements if contracts are not properly monitored.

Our objectives were to determine if contract vendors were in compliance with contract terms, conditions, and County policies.

What We Recommend

We recommend that management:

- Obtain vendor overpayments and unclaimed credits
- Improve controls over vendor selection and contract compliance
- Ensure contracts are structured in the County's best interest

Agency management concurred with the recommendations.

Auditing Standards

We conducted these performance audits in accordance with generally accepted government auditing standards.



For more information, please contact
Richard Chard, Deputy County Auditor, at 602-
506-7539 or rchard@mail.maricopa.gov

Contracts & Agreements

Improved Contract Monitoring is Needed

What We Found

For the contracts reviewed, procurement and contract pricing requirements were mostly followed; however, overbillings and control weaknesses were found. Individual reports were issued separately, and are available on our website http://www.maricopa.gov/internal_audit/. A summary of our findings is shown below.

Contract	Findings
Downtown Court Tower Construction Contract <u>Contract Expenditures</u> \$69.7 million YTD	<ul style="list-style-type: none"> • Some good construction practices were noted • \$60,064 in questionable costs were found • Controls over policies and procedures, close-out costs, and contract provisions could be improved
Library Materials and Services Contract <u>Contract Expenditures</u> \$2.6 million (FY10)	<ul style="list-style-type: none"> • Procurement documents were complete • \$81,000 in vendor overpayments and accumulated credits were found • \$96,000 could be saved annually by purchasing rather than leasing DVDs
White Tanks Library Construction Contract <u>Contract Expenditures</u> \$8.7 million	<ul style="list-style-type: none"> • Procurement and contract pricing requirements were mostly followed • \$30,000 was overbilled by the vendor • Controls over vendor evaluations, contract solicitation, and use of restricted funds can be improved
MCDOT Design Contract – Northern Parkway Program <u>Contract Expenditures</u> \$6.5 million	<ul style="list-style-type: none"> • Intergovernmental agreements were not amended to reflect the City of El Mirage's withdrawal from the program • Controls over procurement, change orders, contractor prequalification evaluations, and project accounting could be improved • \$465 in unallowable costs were billed

We appreciate the excellent cooperation received from agency management and staff while conducting these audits.

"Do the Right Things Right!"

Maricopa County Internal Audit Department